

January 26, 2000

**NOTICE OF COMPETITIVE LEASE SALE
Oil and Gas**

**SALE LOCATION ADDRESS
Holiday Inn Select Convention Center
801 Truxtun Avenue
Bakersfield, California 93301
(661) 323-1900**

Notice is hereby given that on March 16, 2000, the U. S. Department of the Interior, Bureau of Land Management, California State Office, will offer for competitive sale, pursuant to 43 CFR Part 3120 and procedures therein, **64** parcels totaling **74,558.67** acres of Federal lands for oil and gas leasing. The parcels are identified by parcel numbers and are described in detail starting on page 6.

LOCATION: The sale will be held at the Holiday Inn Select Convention Center, 801 Truxtun Avenue, Bakersfield, California 93301. You or your authorized representative must be present to bid.

TIME OF SALE/REGISTRATION: The competitive sale will be conducted by oral auction and will commence at **9:00 a.m.** on **March 16, 2000**. The sale room will be open to the public at **8:00 a.m.** to allow each interested party time to register and obtain a bidding number from authorized Bureau personnel.

TERMS OF LEASE: Leases awarded as a result of this oral auction will be for a primary term of 10 years, and so long thereafter as there is production in paying quantities. The royalty will be at a flat rate of 12-½ percent of the value or the amount of production removed or sold from the lease. Heavy oil and stripper property royalty rate reduction programs are currently in effect. The heavy oil royalty rate reduction is based upon average gravity of oil sold for the lease. The stripper property royalty rate reduction is based upon average (per well) production for the property. Royalty rates under either of these programs will vary between 0.5 percent and 12-½ percent, depending upon oil gravity and production rates. Other terms of the lease are specified on the standard lease (Form 3100-11, October 1992 edition).

OTHER CONDITIONS: Specific surface use stipulations and information notices are specified by number for each parcel in this Notice of Competitive Lease Sale. The applicable information notice and stipulation numbers are indicated in the description of each parcel. The information notices and

stipulations, which shall become part of the lease and shall supersede any inconsistent provisions of the lease form, are attached to the end of this sale notice. General surface use requirements are contained in law and regulation.

BIDS: The minimum acceptable bonus bid will be the lump sum equivalent of \$2.00 per acre or fraction thereof; e.g., a 644.38 acre-parcel requires a minimum bid of \$1,290.00 (\$2.00 x 645 acres). A winning bid will be the highest oral bid, equal to or exceeding the national minimum bid. The auctioneer's decision as to the high bidder and amount is final. A bid cannot be withdrawn and constitutes a legally binding commitment to sign the bid form, accept a lease, and make the required payment. All bids received shall be deemed submitted for an entire parcel. If a parcel receives no bid, the Auctioneer can again open that parcel up for bids at the end of the sale only if requested.

FRACTIONAL INTERESTS: For some of the parcels, the United States may hold less than 100 percent of the oil and gas rights. If applicable, these parcels are indicated in the list. Any lease issued will be only for the percentages or fractions indicated. However, bonus bids and rentals for such parcels shall be based on the gross acreage in the parcel, not the net U. S. interest. Acreage chargeability and production royalty are, in contrast, calculated on the net U. S. interest.

ORDER OF SALE: Parcels will be offered for oral bid in the order indicated in this Notice.

RIGHT TO WITHDRAW PARCELS FROM SALE: The Bureau of Land Management reserves the right to withdraw any or all of the parcels from sale prior to or at the oral auction. Parcels may also be retroactively withdrawn and monies submitted for those parcels would be refunded. In the event of cancellation of the sale, every effort will be made to give appropriate notice to all interested parties. If and when any individual parcels are withdrawn, notice thereof will be posted in the public room at the California State Office, 2800 Cottage Way, Sacramento, California 95825 and the Bakersfield Field Office, 3801 Pegasus Way, Bakersfield, California 93308.

PAYMENT OF BONUS BID, RENTAL AND ADMINISTRATIVE FEE: Winning bidders shall be required to make payment for the parcel on the day of the oral auction for a total amount consisting of : (1) a bonus bid deposit of at least \$2.00 per acre or fraction thereof; (2) the total amount of the first year's annual rental, at a rate of \$1.50 per acre or fraction thereof; and (3) an administrative fee of \$75.00 per parcel. Failure to pay this minimum deposit may result in assessment of civil penalties pursuant to the Federal Oil and Gas Royalty Management Act. The amount must be tendered at the auction. The entire amount due may be paid at this time. Any unpaid balance of the bonus bid must be submitted to the California State Office by **March 30, 2000**, or all monies held by BLM and the right to issuance of the lease shall be forfeited. Any parcel so forfeited may be reoffered by BLM competitively at a later oral auction.

FORM OF PAYMENT: Payment shall be made by personal check, certified check, money order, VISA, or Master Card. Payment by cash shall NOT be allowed. All remittances other than VISA or Master Card shall be made payable to DEPARTMENT OF THE INTERIOR - BLM.

BID FORM REQUIRED; AVAILABILITY: Pursuant to 43 CFR 3120.5, successful high bidders will be required to submit, **WITH** the required payments for each parcel on the day of the oral auction of such parcel, a properly signed current competitive lease bid form (Form 3000-2, October 1989 edition), which is a legally binding offer by the prospective lessee to accept a lease pursuant to the terms and conditions specified herein for the parcel and on the standard lease form (Form 3100-11, October 1992 edition). Form 3000-2 may be obtained and executed by the prospective lessee or an authorized representative **PRIOR** to the oral auction. If the bid form is fully completed before the oral auction, it cannot be modified; portions of the form may be left blank to be completed by the bidder at the auction. If the bid form is not executed prior to the oral auction, the prospective lessee shall be required to complete and sign the bid form at the auction when the payment is tendered. Form 3000-2, when completed, certifies compliance with lessee qualifications (see 43 CFR 3102.5-2) and also certifies compliance with 18 U.S.C. 1860, which prohibits unlawful combination of or intimidation of bidders and certifies that the bid was arrived at independently without collusion.

AWARD/ISSUANCE OF LEASES: Prospective lessees are advised that leases may be issued, upon signature by the authorized officer, without further action on their part, once all remaining bonus bid monies are timely received. The effective date of the lease shall be the first day of the month following execution of the lease form by the authorized officer, except that leases may, upon written request from the lessee received prior to the signature on the lease, by the authorized officer, be effective the first day of the month in which they are issued.

UNSOLD PARCELS: Parcels contained in this Notice of Competitive Lease Sale for which no acceptable bids are received at the oral auction and no noncompetitive presale offers are pending, and which have not been withdrawn from the sale by BLM, shall be available for regular noncompetitive lease offer in accordance with 43 CFR Subpart 3110 for a two-year period. The two-year period shall commence at 7:30 a.m., March 17, 2000. All noncompetitive offers received on that first business day following the auction will be considered simultaneously filed. Offers received thereafter shall receive priority as of the date and time of filing, as specified at 43 CFR 1821.2-3(a).

Note: Since the sale is being held away from the California State Office, which is the official place of filing, noncompetitive offers cannot be accepted by BLM employees the day of the sale. The applicant has the sole responsibility of making certain that noncompetitive offers to be considered filed the day after the sale, are timely received in the California State Office in Sacramento.

Noncompetitive offers filed on the first business day following the close of the oral auction, or during the remainder of that month must describe the lands, as set forth at 43 CFR 3110.5-1, solely by the single parcel number appearing in this Notice of Competitive Lease Sale. Any such offer constitutes consent by the offeror to the terms and conditions, including stipulations, set out for the parcel in this Notice of Competitive Lease Sale. All noncompetitive offers must be submitted on the current lease Form 3100-11 (October 1992 edition). Leases may be issued to an offeror without further notice. All noncompetitive offers must be accompanied by the total of (1) the \$75.00 nonrefundable filing fee and (2) the first-year advance rental of \$1.50 per acre or fraction thereof as indicated in the list herein. All filing fees are nonrefundable, whether or not a lease is ultimately issued to the offeror or any other party.

PRESALE NONCOMPETITIVE OFFERS: A presale noncompetitive offer filed in accordance with 43 CFR 3110.1(a) for a parcel offered at the sale, and for which no bid is received, has first priority over an offer filed after the sale. Parties are cautioned that any lands in a parcel not sold at the auction, which are subject to a pending noncompetitive presale offer, may not be available for further noncompetitive filings. Those lands will be issued to the party who submitted the presale offer, all else being regular. However, if it is announced at the beginning of the sale that the presale offer has been withdrawn, noncompetitive filings will be accepted after the sale for that parcel. Parcels subject to a presale noncompetitive offer are identified in this Notice of Competitive Lease Sale by an asterisk.

NOTE: SHOULD ASSISTANCE BE NEEDED FOR THE HEARING OR VISUALLY IMPAIRED, PLEASE CONTACT THE BAKERSFIELD FIELD OFFICE AT (661) 391-6129 BY February 25, 2000. THE SALE SITE IS ACCESSIBLE TO THE HANDICAPPED.

Any questions regarding the sale should be directed to Brenda Kidder at the California State Office, (916) 978-4374 or Nora Dedios at the Bakersfield Field Office, (661) 391-6129.

Leroy M. Mohorich
Chief, Branch of Energy,
Mineral Science, and Adjudication

Authenticated by:
Brenda Kidder
Land Law Examiner

PUBLIC NOTICE

Bidders are reminded that a bid shall not be withdrawn and shall constitute a legally binding commitment to execute the lease bid form and accept a lease, including the obligation to pay the bonus bid, first year's rental, and administrative fee. There have been cases in past oral auctions where the minimum deposit due from the high bidder on the day of the auction was not paid, or was paid by a check drawn on an account with insufficient funds. The Bureau of Land Management will be closely monitoring situations of this nature to determine whether further measures should be initiated to protect the integrity of the system.

Public Lands

Parcel CA 3-00-1

T. 16 S., R. 10 E., MD Mer.,
sec. 1, lots 2, 3, 4, 7, 8, 9, SWNW;
sec. 2, S2NE, SENW, N2S2;
sec. 3, lots 3, 4, S2NW, SW, W2SE, SESE;
sec. 10, W2;
sec. 11, S2N2, N2SW, SESW, SE;
sec. 12, lots 1, 2, 3, 6 thru 11, 14, 15, 16.

San Benito County 2,151.06 acres
Subject to Information Notices 1 through 8
Subject to Stipulations 1 through 3

Parcel CA 3-00-2

T. 16 S., R. 10 E., MD Mer.,
sec. 4, lots 1, 2, 3, S2N2, S2;
sec. 5, lots 3, 4, S2S2;
sec. 8, N2, E2SW, SE;
sec. 9, all.

San Benito County 1,953.57 acres
Subject to Information Notices 1 through 8
Subject to Stipulations 1 through 3

Parcel CA 3-00-3

T. 16 S., R. 10 E., MD Mer.,
sec. 6, lots 1, 2, 3 thru 15, 17, 18;
sec. 7, lots 1, 2, 3, N2 lot 5, lots 6, 7, S2 lot 8,
lots 9 thru 12, E2NE, SWSE;
sec. 17, E2, N2NW, S2SW;
sec. 18, N2 lots 6, 7, 8, lots 9, 10, 11, NE,
N2SE.

San Benito County 2,370.36 acres
Subject to Information Notices 1 through 8
Subject to Stipulations 1 through 3

Parcel CA 3-00-4

T. 16 S., R. 10 E., MD Mer.,
sec. 13, lots 1 thru 4, NWNE, NESW, W2SE;
sec. 14, N2, W2SW, SESW, SWSE;
sec. 23, N2;
sec. 24, lots 3, 4;
sec. 25, lot 1, NWSW;
sec. 26, SWSW, SWSE.

San Benito County 1,330.14 acres
Subject to Information Notices 1 through 8
Subject to Stipulations 1 through 3

Parcel CA 3-00-5

T. 16 S., R. 10 E., MD Mer.,
sec. 15, all;
sec. 21, N2N2, SWSW, NWSE;
sec. 22, N2, N2S2;
sec. 27, W2SW, SESW, SWSE, E2SE;
sec. 28, W2.

San Benito County 1,920.00 acres
Subject to Information Notices 1 through 8
Subject to Stipulations 1 through 3

Parcel CA 3-00-6

T. 16 S., R. 10 E., MD Mer.,
sec. 19, lots 2 thru 5, 7, 8, S2 lot 9, lot 12, S2NE,
SE;
sec. 30, lots 1 thru 5, N2 lots 6, 7, 8, lots 9 thru
12, E2;
sec. 31, N2NE, SWNE, SESW.

San Benito County 1,662.60 acres
Subject to Information Notices 1 through 8
Subject to Stipulations 1 through 3

Parcel CA 3-00-7

T. 16 S., R. 10 E., MD Mer.,
 sec. 20, N2NE, SENE, SW, S2SE;
 sec. 29, all;
 sec. 32, E2, E2W2, NWNW.

San Benito County 1,520.00 acres
 Subject to Information Notices 1 through 8
 Subject to Stipulations 1 through 3

Parcel CA 3-00-8

T. 16 S., R. 10 E., MD Mer.,
 sec. 33, all;
 sec. 34, W2NE, SENE, W2, SE;
 sec. 35, N2, SW, NESE, S2SE.

San Benito County 1,840.00 acres
 Subject to Information Notices 1 through 8
 Subject to Stipulations 1 through 3

Parcel CA 3-00-9

T. 17 S., R. 10 E., MD Mer.,
 sec. 1, lots 1, 2, 6, E2 lot 7, lots 9 thru 12, S2;
 sec. 2, lots 1 thru 5, W2 lot 6, lots 9 thru 13,
 S2;
 sec. 3, lots 1 thru 4, E2 lot 6, lots 9 thru 15, S2;
 sec. 10, N2, N2SE, SWSE.

San Benito County 2,499.60 acres
 Subject to Information Notices 1 through 8
 Subject to Stipulations 1 through 3

Parcel CA 3-00-10

T. 17 S., R. 10 E., MD Mer.,
 sec. 4, lots 1 thru 4, 9 thru 15, SW, NESE;
 sec. 5, lots 1 thru 4, 6, 8;
 sec. 8, S2NE, W2NW, SENW, S2;
 sec. 9, NW;
 sec. 17, NENW, S2NW, W2SW.

San Benito County 1,636.20 acres
 Subject to Information Notices 1 through 8
 Subject to Stipulations 1 through 3

Parcel CA 3-00-11

T. 17 S., R. 10 E., MD Mer.,
 sec. 6, lots 1 thru 4, N2 lot 11, lots 12, 13, E2
 lot 14, lots 15 thru 21, NESE;
 sec. 7, lots 3 thru 7, N2 lot 8, lot 9, N2 lot 10,
 S2NE, NESE;
 sec. 18, lots 1 thru 10, NWNE, SENE, E2SE.

San Benito County 1,994.37 acres
 Subject to Information Notices 1 through 8
 Subject to Stipulations 1 through 3

Parcel CA 3-00-12

T. 17 S., R. 10 E., MD Mer.,
 sec. 11, N2, N2S2;
 sec. 12, all;
 sec. 13, S2NW, SW, W2SE;
 sec. 14, E2, E2W2;
 sec. 15, N2NE, SWNE, NW, E2SW.

San Benito County 2,280.00 acres
 Subject to Information Notices 1 through 8
 Subject to Stipulations 1 through 3

Parcel CA 3-00-13

T. 17 S., R. 10 E., MD Mer.,
 sec. 19, lots 2, 3, N2 lot 5, S2 lot 6, N2 lot 9,
 N2NE, SENE;
 sec. 20, W2NW;
 sec. 30, lots 5 thru 8, S2 lot 9, NE, N2SE, SWSE;
 sec. 31, lots 1, 2, 6, 7, 9, 10, SESE;
 sec. 32, W2NE, W2, SE.

San Benito County 1,919.09 acres
 Subject to Information Notices 1 through 8
 Subject to Stipulations 1 through 3

Parcel CA 3-00-14

T. 17 S., R. 10 E., MD Mer.,
 sec. 21, NESW, SESE;
 sec. 22, N2NE, SENE, NENW, NWSW, NESE;
 sec. 27, all;
 sec. 28, E2NE, NESW, S2SW, SE;
 sec. 33, N2N2, S2;
 sec. 34, all.

San Benito County 2,440.00 acres
 Subject to Information Notices 1 through 8
 Subject to Stipulations 1 through 3

Parcel CA 3-00-15

T. 17 S., R. 10 E., MD Mer.,
 sec. 23, N2NE, SENE, W2SW;
 sec. 24, N2NE, NW, E2SE;
 sec. 25, NENE, S2NE, SENW, E2SW, SE;
 sec. 26, W2, W2SE;
 sec. 35, N2NW, SWNW, SWSW, W2SE, SESE.

San Benito County 1,600.00 acres
 Subject to Information Notices 1 through 8
 Subject to Stipulations 1 through 3

Parcel CA 3-00-16

T. 16 S., R. 11 E., MD Mer.,
 sec. 1, lots 2, 3, 4, S2N2, NESW, SE;
 sec. 2, lots 1, 2, 3, SENE;
 sec. 11, E2NE, W2, SE;
 sec. 12, W2E2, W2.

San Benito County 1,533.66 acres
 Subject to Information Notices 1 through 8
 Subject to Stipulations 1 through 3

Parcel CA 3-00-17

T. 16 S., R. 11 E., MD Mer.,
 sec. 3, lots 1 thru 4, S2N2, NESW, S2SW, SE;
 sec. 10, W2NE, SENE, W2, SE;
 sec. 15, all.

San Benito County 1,834.04 acres
 Subject to Information Notices 1 through 8
 Subject to Stipulations 1 through 3

Parcel CA 3-00-18

T. 16 S., R. 11 E., MD Mer.,
 sec. 4, SENE, S2SW, E2SE;
 sec. 5, W2SW, SESW;
 sec. 8, all;
 sec. 9, NE, NENW, S2NW, S2;
 sec. 17, all.

San Benito County 2,200.00 acres
 Subject to Information Notices 1 through 8
 Subject to Stipulations 1 through 3

Parcel CA 3-00-19

T. 16 S., R. 11 E., MD Mer.,
sec. 6, lot 8, S2 lot 9, lots 11, 12, S2NE, SE;
sec. 7, lots 1 thru 8, E2;
sec. 18, lots 1 thru 8, E2.

San Benito County 2,119.80 acres
Subject to Information Notices 1 through 8
Subject to Stipulations 1 through 3

Parcel CA 3-00-20

T. 16 S., R. 11 E., MD Mer.,
sec. 13, W2E2, W2;
sec. 14, all;
sec. 23, all;
sec. 24, all.

San Benito County 2,400.00 acres
Subject to Information Notices 1 through 8
Subject to Stipulations 1 through 3

Parcel CA 3-00-21

T. 16 S., R. 11 E., MD Mer.,
sec. 19, lots 1, 2, 5, 8, E2;
sec. 20, N2, N2SE;
sec. 21, N2, N2SE;
sec. 30, NESE.

San Benito County 1,415.20 acres
Subject to Information Notices 1 through 8
Subject to Stipulations 1 through 3

Parcel CA 3-00-22

T. 16 S., R. 11 E., MD Mer.,
sec. 22, N2, N2SW, SESW, SE;
sec. 25, N2;
sec. 26, NE, N2SW;
sec. 27, NWSW;
sec. 34, N2SE, SESE;
sec. 35, S2NE, S2.

San Benito County 1,720.00 acres
Subject to Information Notices 1 through 8
Subject to Stipulations 1 through 3

Parcel CA 3-00-23

T. 17 S., R. 11 E., MD Mer.,
sec. 1, N2N2;
sec. 2, NWNE, NWNW;
sec. 3, NE;
sec. 11, SW;
sec. 13, lot 6;
sec. 14, E2SE;
sec. 15, lots 1, 3, 4, N2NE, SWNE, E2NW, S2SE.

San Benito County 1,107.94 acres
Subject to Information Notices 1 through 8
Subject to Stipulations 1 through 3

Parcel CA 3-00-24

T. 17 S., R. 11 E., MD Mer.,
sec. 6, lots 8, 9, S2 lot 10;
sec. 7, lots 3 thru 10, 14 thru 23;
sec. 18, lots 1 thru 4, 9 thru 13, SE.

San Benito County 1,418.47 acres
Subject to Information Notices 1 through 8
Subject to Stipulations 1 through 3

Parcel CA 3-00-25

T. 17 S., R. 11 E., MD Mer.,
 sec. 8, NW, SE;
 sec. 9, NW;
 sec. 17, lots 2 thru 16.

San Benito County 1,216.97 acres
 Subject to Information Notices 1 through 8
 Subject to Stipulations 1 through 3

Parcel CA 3-00-26

T. 16 S., R. 12 E., MD Mer.,
 sec. 27, NENE, W2E2, W2;
 sec. 28, N2, N2SW, SE;
 sec. 33, NE, S2NW, S2;
 sec. 34, all.

San Benito County 2,280.00 acres
 Subject to Information Notices 1 through 8
 Subject to Stipulations 1 through 3

Parcel CA 3-00-27

T. 16 S., R. 12 E., MD Mer.,
 sec. 29, E2, N2NW, SENW;
 sec. 30, lots 1 thru 4, W2NE, SWSE;
 sec. 31, lots 1 thru 4, E2;
 sec. 32, E2E2, W2W2.

San Benito County 1,536.80 acres
 Subject to Information Notices 1 through 8
 Subject to Stipulations 1 through 3

Parcel CA 3-00-28

T. 17 S., R. 12 E., MD Mer.,
 sec. 4, lots 1 thru 20;
 sec. 5, lots 1, 4, SENE, E2SE;
 sec. 6, lots 1 thru 12, S2NE, SE;
 sec. 9, lots 1 thru 4.

San Benito County 1,844.18 acres
 Subject to Information Notices 1 through 8
 Subject to Stipulations 1 through 3

Parcel CA 3-00-29

T. 20 S., R. 12 E., MD Mer.,
 sec. 25, SW, SWSE;
 sec. 26, N2SW, SWSW;
 sec. 27, S2SW, SE;
 sec. 28, SESW, SWSE;
 sec. 33, N2NE, SWNE;
 sec. 34, W2NE, SENE, W2NW, SENW;
 sec. 35, S2NE, E2NW, S2.

T. 21 S., R. 12 E., MD Mer.,
 sec. 1, lots 2, 3, 4;
 sec. 2, lot 3, NENW.

Fresno/Monterey Counties 1,680.97 acres
 Subject to Information Notices 1 through 8
 Subject to Stipulations 1 through 3

Parcel CA 3-00-30

T. 23 S., R. 19 E., MD Mer.,
 sec. 4, lot 3.

Kings County 29.67 acres
 Subject to Stipulation 1

Parcel CA 3-00-31

T. 23 S., R. 19 E., MD Mer.,
sec. 18, lot 2, E2SW, W2SE;
sec. 28, SW.

Kings County 393.65 acres
Subject to Stipulation 1

Parcel CA 3-00-32

T. 24 S., R. 20 E., MD Mer.,
sec. 19, SESE.

Kings County 40.00 acres
Subject to Stipulation 1

Parcel CA 3-00-33

T. 28 S., R. 20 E., MD Mer.,
sec. 30, lots 3, 4;
sec. 31, lot 3.

Kern County 63.29 acres
Subject to Stipulation 1

Parcel CA 3-00-34

T. 28 S., R. 20 E., MD Mer.,
sec. 32, lot 1.

Kern County 40.00 acres
Subject to Stipulation 1

Parcel CA 3-00-35

T. 26 S., R. 21 E., MD Mer.,
sec. 12, NW.

Kern County 160.00 acres
Subject to Stipulations 1 and 2

Parcel CA 3-00-36

T. 26 S., R. 21 E., MD Mer.,
sec. 18, SWSE;
sec. 28, N2SW.

Kern County 120.00 acres
Subject to Stipulations 1, 2 and 5

Parcel CA 3-00-37

T. 29 S., R. 21 E., MD Mer.,
sec. 32, lot 1, NESE.

Kern County 64.69 acres
Subject to Stipulation 1

Parcel CA 3-00-38

T. 30 S., R. 21 E., MD Mer.,
sec. 29, N2, SE.

Kern County 480.00 acres
Subject to Stipulations 1, 2, and 3

Parcel CA 3-00-39

T. 31 S., R. 21 E., MD Mer.,
 sec. 2, lots 1 thru 4, S2N2, S2;
 sec. 3, lots 1 thru 4, S2N2, S2;
 sec. 10, N2, SE;
 sec. 11, NE, NENW, S2NW, S2.

San Luis Obispo County 2,371.04 acres
 Subject to Stipulations 1, 2, and 3

Parcel CA 3-00-40

T. 31 S., R. 21 E., MD Mer.,
 sec. 14, NW, E2SE;
 sec. 15, N2NE, SENE.

San Luis Obispo County 360.00 acres
 Subject to Stipulation 1

Parcel CA 3-00-41

T. 31 S., R. 22 E., MD Mer.,
 sec. 4, lots 1 thru 4, S2N2, S2.

Kern County 557.08 acres
 Subject to Stipulation 1

Parcel CA 3-00-42

T. 31 S., R. 22 E., MD Mer.,
 sec. 5, lot 4;
 sec. 6, lots 1 thru 4, 10, 11, S2 lot 13, SE;
 sec. 7, S2 lot 1, lots 2 thru 10, E2;
 sec. 18, S2 lots 1 and 2, N2 lot 10, NWSE.

Kern County 1,504.75 acres
 Subject to Stipulation 1

Parcel CA 3-00-43

T. 31 S., R. 22 E., MD Mer.,
 sec. 30, lots 6, 7, 8.

Kern County 131.64 acres
 Subject to Stipulation 1

Parcel CA 3-00-44

T. 32 S., R. 22 E., MD Mer.,
 sec. 9, NE;
 sec. 24, N2.

San Luis Obispo County 480.00 acres
 Subject to Stipulation 1

Parcel CA 3-00-45

T. 30 S., R. 24 E., MD Mer.,
 sec. 6, lots 1, 2, SWSE.

Kern County 120.00 acres
 Subject to Stipulations 1 and 2

Parcel CA 3-00-46

T. 30 S., R. 24 E., MD Mer.,
 sec. 8, SW, W2SE, SESE.

Kern County 280.00 acres
 Subject to Stipulations 1 and 2

Parcel CA 3-00-47

T. 31 S., R. 24 E., MD Mer.,
sec. 34, SWNW.

Kern County 40.00 acres
Subject to Stipulations 1 and 2
Subject to the Buena Vista Cooperative
Development Plan

Parcel CA 3-00-48

T. 10 N., R. 23 W., SB Mer.,
sec. 3, lot 4, SWNW, NWSW;
sec. 5, SE;
sec. 6, lot 1 NW, N2 lots 1 and 2 SW, S2SE;
sec. 8, NWNW.

Kern County 559.96 acres
Subject to Stipulation 1

Parcel CA 3-00-49

T. 10 N., R. 23 W., SB Mer.,
sec. 4, lots 1 thru 4, S2NE;
sec. 7, S2 lot 2 of SW.

Kern County 362.02 acres
Subject to Stipulation 1

Parcel CA 3-00-50

T. 10 N., R. 23 W., SB Mer.,
sec. 13, lots 1, 2;
sec. 24, lot 2;
sec. 26, SESW;
sec. 27, SWNE, W2NW, SENW, S2;
sec. 34, NENE, S2NE, NWNW, N2SW,
SESW, W2SE;
sec. 35, SWNE, NW, E2SW, W2SE.

Kern County 1,322.87 acres
Subject to Stipulation 1

Parcel CA 3-00-51

T. 10 N., R. 23 W., SB Mer.,
sec. 28, W2NE, SENE, N2NW, SENW,
NESW, N2SE, SESE;
sec. 32, S2;
sec. 33, SWSW, NESE.

Kern County 800.00 acres
Subject to Stipulation 1

Parcel CA 3-00-52

T. 11 N., R. 23 W., SB Mer.,
sec. 14, S2;
sec. 15, N2SW, SESW;
sec. 17, NWSE;
sec. 22, N2NE;
sec. 35, NWNE.

Kern County 600.00 acres
Subject to Stipulation 1

Parcel CA 3-00-53

T. 11 N., R. 23 W., SB Mer.,
sec. 19, N2 lot 1 of SW;
sec. 29, SENE.

Kern County 80.00 acres
Subject to Stipulation 1

Parcel CA 3-00-54

T. 10 N., R. 24 W., SB Mer.,
 sec. 1, SESW, NESE;
 sec. 2, lots 2, 3, SWNW, NESW, SWSW;
 sec. 3, lots 1, 2, SWNE, SENW, NESW.
 sec. 10, SENE, NENW, S2NW, NESW;
 sec. 11, E2SE;
 sec. 12, SESW, SESE.

Kern County 844.09 acres
 Subject to Stipulation 1

Parcel CA 3-00-55

T. 10 N., R. 24 W., SB Mer.,
 sec. 19, S2 lot 2;
 sec. 21, SWSE;
 sec. 28, W2NE, SENE, SWNW, S2;
 sec. 29, W2NE, SENE, E2NW, NESW, SE;
 sec. 30, lot 2 NW, lots 1 and 2 SW, SE.

Kern and
 San Luis Obispo Counties 1,362.63 acres
 Subject to Stipulation 1

Parcel CA 3-00-56

T. 10 N., R. 24 W., SB Mer.,
 sec. 31, lots 1 and 2 NW, lots 1 and 2 SW, E2;
 sec. 32, E2NE, W2NW, SENW, S2;
 sec. 33, E2NE, W2.

Kern and
 San Luis Obispo Counties 1,564.80 acres
 Subject to Stipulation 1

Parcel CA 3-00-57

T. 11 N., R. 24 W., SB Mer.,
 sec. 3, SE;
 sec. 11, SW;
 sec. 14, W2NE, SENE, NW, SWSW, SE;
 sec. 15, W2W2, W2SE.

Kern County 1,040.00 acres
 Subject to Stipulation 1

Parcel CA 3-00-58

T. 11 N., R. 24 W., SB Mer.,
 sec. 6, lots 1 thru 7, S2NE, SENW, E2SW, SE;
 sec. 7, E2.

San Luis Obispo County 968.11 acres
 Subject to Stipulation 1

Parcel CA 3-00-59

T. 11 N., R. 24 W., SB Mer.,
 sec. 17, all;
 sec. 20, NE, N2NW;
 sec. 21, W2NE, NW.
 sec. 22, N2, N2S2, SESE.

Kern County 1,640.00 acres
 Subject to Stipulation 1

Parcel CA 3-00-60

T. 11 N., R. 24 W., SB Mer.,
 sec. 23, E2NE, E2NW.

Kern County 160.00 acres
 Subject to Stipulation 1

***Parcel CA 3-00-61**

T. 11 N., R. 24 W., SB Mer.,
sec. 20, S2NW, S2;
sec. 21, N2SW;
sec. 22, S2SW, SWSE;
sec. 26, S2NE, W2NW, SENW, S2SW, N2SE,
SWSE;
sec. 27, NE, N2NW, W2SW.

Kern County 1,320.00 acres
Subject to Stipulation 1
*Presale Offer CACA 41416

Parcel CA 3-00-62

T. 11 N., R. 24 W., SB Mer.,
sec. 25, all.

Kern County 640.00 acres
Subject to Stipulation 1

ACQUIRED LANDS

***Parcel CA 3-00-64**

T. 8 N., R. 3 E., MD Mer.,
sec. 31, NWNENE, S2NENE, NWNE,
S2NE, SE.

Yolo County	310.00 acres
Subject to Stipulation 6	

*Presale Offer CACA 37667

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The following notice will be attached to all issued leases

**NOTICE TO LESSEE
MLA Section 2(a)(2)(A)**

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201(a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or approval by a State Office on a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

INFORMATION NOTICES

1. Cultural Information Notice

A cultural resource inventory will be required prior to authorization of any surface disturbing activity. Proposed activities would be moved up to 200 meters to avoid adverse impacts to all potentially significant archaeological sites. For sites that could not be avoided, an appropriate data recovery plan would be developed in consultation with the State Historic Preservation Officer and the National Advisory Council on Historic Preservation. Implementation of the data recovery plan would be a condition of approval of the proposed activity.

2. Air Quality Information Notice - Offroad Vehicle Use

All oil and gas exploration and development activities that require off-road vehicle use or surface disturbance will be required to obtain an air quality emission permit or verification that such permits are not appropriate from the local Air Pollution Control District.

3. Air Quality Information Notice - Onroad Vehicle Use

All oil and gas exploration and development activities resulting in surface disturbance or requiring the use of motorized vehicles will be required to suppress fugitive dust emissions from paved and unpaved surfaces in accordance with local Air Pollution Control District (APCD) regulations.

4. Surface Disturbing Operations on Slopes Information Notice

Proposed oil and gas developments (pad/access road construction, vegetation removal, etc.) on slopes that exceed 10% will require submission of designs prepared by a licensed professional engineer, incorporating adequate mitigation measures to preclude slope failure or off-site transport of sediments and detailing reclamation procedures that would result in successful restoration and revegetation of the site.

5. Floodplains Information Notice

To prevent contamination of surface waters during flood events, oil sump construction and storage of oil in oil well cellars will not be permitted in floodplains.

6. Known T&E Animal Habitat Information Notice

All or a portion of the lands in this lease are within the habitat of threatened or endangered species. Measures included in the Panoche/Coalinga Area of Critical Concern Guidelines for oil and gas operations in T&E Animal Habitat to mitigate oil and gas exploration and development activities will be implemented on those lands described herein. If these measures are not sufficient to prevent a "may affect" determination to the species, section 7 consultation with the USFWS will be required. The measures are:

Pre-Development Protective Measures

- ! Installation of temporary fences along the margin of pad sites on oil and gas developments to eliminate off-site vehicle impacts to undisturbed habitat.
- ! Access roads and pipeline should be planned to utilize existing roads and trails. Where new roads are proposed, route to avoid sensitive habitat features such as shrubs, small mammal and rodent burrows and washes.
- ! Compensation both on-site and off-site: Rehabilitate additional acreage through reseeding, installation of artificial dens, closure/rehab of roads in other lease areas, etc.
- ! Season restriction for operational activities to minimize vehicle traffic, noise, etc., during sensitive periods such as denning, nesting, etc.
- ! Formal programs to increase employee awareness of local wildlife concerns emphasizing unique habitat features and values. This is important to the contractor(s) as well as the applicant.
- ! Maintain unique or limiting topographic features (will vary from site to site).
- ! No surface occupancy should be considered in critical or sensitive habitat areas.
- ! Employees and contractors should be prohibited from carrying firearms onto the worksite.

Developmental Protective Measures

- ! Where pipelines/steam lines are needed, lay above ground (hang above ground across major washes). Align with roads where possible.
- ! Size and alignment (or orientation) of pads should be determined to minimize surface disturbance and habitat loss, yet accommodate construction activities (i.e.,

lengthwise or parallel to existing roads, short side toward sensitive features). Revegetate those portions of the pads not needed for production purposes as soon as possible.

- ! Waste water should be properly contained and/or removed to a designated disposal site.
- ! Stockpile topsoil from surface disturbing activities to be used in conjunction with revegetation efforts.
- ! Maintain buffer zones around sensitive habitat features (minimum 200 feet from active or inactive San Joaquin Kit Fox dens, minimum 100 feet from all intermittent streams, 100 feet from dry washes in blunt-nosed leopard lizard habitat and minimum 200 feet from giant kangaroo rat colonies). Fencing will be used if necessary.
- ! Keep number of roads to a minimum (one to two access points per well).
- ! Consolidate maintenance activities to reduce human disturbances.
- ! Fence/cover all existing and active sumps with fine wire mesh to prevent the entrapment of animals.

Post-Development Protection Measures

- ! Abandonments will be rehabed and re-contoured as close as possible to the original contour and condition. The determination for recontouring abandoned well sites will consider possible impacts to RTE species. In some cases, where natural revegetation has occurred around the margins of well sites and RTE species are known to inhabit the site, it may be desirable to rip and reseed pads and roads but avoid disturbing naturally revegetated areas by recontouring.
- ! Ripping, reseeding and recontouring will be done by the lessee as approved by BLM to all roads, pads, sumps, and all other past surface disturbances (including oil spills from historic operations) not of value to the leasehold operation.
- ! Reseeding will consist of environmentally compatible plant species (saltbush) in all disturbed areas within construction zones, as well as any additional locations agreed to for the benefit of RTE species and surface protection from erosion.
- ! Specifications for seeding will include timeframes, rates of seed application, type of seed.

- ! Areas to be rehabilitated should be delineated in writing, by map, and staked/flagged on site.
- ! If in an active field, rehabilitation efforts should be conducted within one year after construction operations have ended.
- ! If necessary, fence (or block with physical barriers) revegetated sites from vehicular or livestock access.
- ! Dispose of all well site debris, including equipment, pipelines, and garbage in an acceptable manner (this means removal to a designated disposal site for contaminated soil and/or debris).

In addition to the protective measures listed above, compensation may be required in the form of on-site or off-site habitat enhancement (installation of guzzlers, conversion of oil and gas wells to water wells, seeding of native shrub species, etc.). Project applicants may be required to provide funds for purchase of off-site lands.

7. Exploratory Drilling in Known T&E Animal Habitat Information Notice

Exploratory drilling will be required to use self-contained drilling fluid units to eliminate the need for sumps and to minimize spillage.

8. Development of New Oil and Gas Fields in Known T&E Animal Habitat Information Notice

Development of new oil and gas fields in known T&E animal habitat will be limited to disturbance of 10 percent of the habitat area within the lease.

Special Stipulations

Stipulation No. 1 - Limited Surface Use - Protected Species: All or a portion of this lease is within the range of one or more plant or animal species (shown at the end of this stipulation) that are either listed as threatened or endangered, or are proposed for such listing by the U.S. Fish and Wildlife Service (USFWS).

The lessee is notified that time frames for processing applications may be delayed beyond established standards to allow for species surveys, and consultation or conferencing with the USFWS. Notice is also given that surface disturbing activities may be moved or modified, and that some activities may be prohibited during seasonal time periods. Surface disturbing activities will be prohibited on the lease only where:

- a. The proposed action is likely to jeopardize the continued existence of a listed or proposed species, or
- b. The proposed action is inconsistent with the recovery needs of a listed species as identified in an approved USFWS Recovery Plan.

Prior to the authorization of any surface disturbing activities, a preliminary environmental review will be conducted to identify the potential presence of habitat for these species. Authorizations may be delayed until completion of the necessary surveys during the appropriate time period for these species. The lessee should be aware that the timing of the surveys is critical, in that some species can only be surveyed during a brief period each year.

The BLM may need to initiate consultation or conference with the USFWS if the site inspection concludes that a listed or proposed species may be affected by the proposed activity. The lessee should be aware that the USFWS has up to 135 days to render their biological opinion, and that there are provisions for an additional 60-day extension. Offsite habitat protection or enhancement for wildlife or vegetation (compensation) may be required by the USFWS when habitat is disturbed. The consultation may also result in some restrictions to the lessee's plan of development, including movement or modification of activities, and seasonal restrictions. Surface disturbing activities will be prohibited on the lease if the consultation or conference concludes that either of the conditions identified in a or b above exist.

Endangered Species List

Special Status Plants

<u>Common Name</u>	<u>Scientific Name</u>	<u>Status</u>
1. California jewelflower	Caulanthus californicus	endangered
2. San Joaquin woolly-threads	Lembertia congdonii	endangered

3. Hoover's woolly-star	<i>Eriastrum hooveri</i>	threatened
4. Kern Mallow	<i>Eremalche kernensis</i>	endangered
5. Bakersfield Cactus	<i>Opuntia treleasei</i>	endangered
6. San Benito Evening Primrose	<i>Camissonia benetensis</i>	threatened
7. Succulent Owl's-Clover	<i>Castilleja camprestris succulenta</i>	threatened
8. Coyote Ceanothus	<i>Ceanothus ferrisae</i>	endangered
9. Mariposa Lupine	<i>Lupinus citrinus deflexus</i>	endangered
10.	<i>Pseudobahia bahiifolia</i>	endangered
11. Metcalf Canyon Jewelflower	<i>Streptanthus albidus albidus</i>	endangered
12. Greene's Tuctoria	<i>Tuctoria greenei</i>	endangered

Special Status Animals

13. Blunt nosed leopard lizard	<i>Gambelia silus</i>	endangered
14. Giant kangaroo rat	<i>Dipodomys ingens</i>	endangered
15. San Joaquin kit fox	<i>Vulpes macrotis mutica</i>	endangered
16. Tipton kangaroo rat	<i>Dipodomys nitratoides nitratoides</i>	endangered
17. Fresno kangaroo rat	<i>Dipodomys nitratoides</i>	endangered
18. *California red-legged frog (*Applies only to Monterey County Parcels)	<i>Rana Aurora</i>	threatened

Special Status Bird

19. Peregrine Falcon	<i>Falco peregrinus</i>	endangered
20. Bald Eagle	<i>Haliaeetus leucocephalus</i>	endangered
21. California Condor	<i>Gymnogypus californianus</i>	endangered

Stipulation No. 2 - Limited Surface Use - Sensitive Species: All or a portion of this lease is within the range of one or more plant or animal species (shown at the end of this stipulation) that are either Federal candidates for listing as threatened or endangered (Federal Candidate), are listed by the State of California as threatened or endangered (State Listed), or are designated by the Bureau of Land Management (BLM) as Sensitive (Bureau Sensitive).

The lessee is notified that time frames for processing applications may be delayed beyond established standards to allow for species surveys and coordination with the USFWS and California Department of Fish and Game. Notice is also given that surface disturbing activities may be relocated beyond the standard 200 meters but not more than 1/4 mile and that surface disturbing activities may be prohibited during seasonal time periods.

Prior to the authorization of any surface disturbing activities, a preliminary environmental review will be conducted to identify the potential presence of habitat for these species. Authorizations may be delayed until completion of the necessary surveys during the appropriate time period for these species. The lessee should be aware that the timing of the surveys is critical, in that some species can only be surveyed during a brief period each year. The BLM may need to coordinate with the USFWS or the California Department of Fish and Game if the site inspection concludes that a Federal Candidate, State Listed or Bureau Sensitive species may be affected by the proposed activity. Coordination may delay application processing beyond established time frames.

To prevent or reduce disturbance to Federal Candidate, State Listed, or Bureau Sensitive species, surface operations may be moved up to 1/4 mile and surface disturbing activities may be prohibited during seasonal time periods.

Sensitive/Candidate Species List

Special Status Plants

<u>Common Name</u>	<u>Scientific Name</u>	<u>Status</u>
1. Pale-Yellow Layia	<i>Layia heterotricha</i>	BLM sensitive
2. Munz's Tidy-Tips	<i>Layia munzii</i>	BLM sensitive
3. Calico Monkeyflower	<i>Mimulus pictus</i>	BLM sensitive
4. Oil Neststraw	<i>Stylocline citroleum</i>	BLM sensitive
5. Showy Madia	<i>Madia radiata</i>	BLM sensitive
6. Lost Hills Saltbrush	<i>Atriplex vallicola</i>	BLM sensitive
7. Hardham's Evening-Primrose	<i>Camissonia hardhamiae</i>	BLM sensitive
8. Sharsmith's Harebell	<i>Campanula sharmsmithiae</i>	BLM sensitive
9. Purple Amole	<i>Chlorogalum purpureum purpureum</i>	BLM sensitive
10. One-awned Spineflower	<i>Chorizanthe rectispina</i>	BLM sensitive
11. Hamilton Thistle	<i>Cirsium fontinale campylon</i>	BLM sensitive
12. Hispid Bird's-Beak	<i>Cordylanthus mollis hispidus</i>	BLM sensitive
13. Mt. Diablo Bird's-Beak	<i>Cordylanthus nidularius</i>	State Rare

14. Mt. Hamilton Coreopsis	<i>Coreopsis hamiltonii</i>	BLM sensitive
15. Mouse Buckwheat	<i>Eriogonum nudum murinum</i>	BLM sensitive
16. Talus Fritillary	<i>Fritillaria falcata</i>	BLM sensitive
17. Diablo Helianthella	<i>Helianthella castanea</i>	BLM sensitive
18. Rayless Layia	<i>Laya discoidea</i>	BLM sensitive
19. Jones' Layia	<i>Layia jonesii</i>	BLM sensitive
20. Panoche Pepper-Grass	<i>Lepidium jaredii album</i>	BLM sensitive
21. Congdon's Lewisia	<i>Lewisia congdonii</i>	State Rare
22. Carmel Valley Bush Mallow	<i>Malacothamnus palmeri involucratus</i>	BLM sensitive
23. Carmel Valley Cliff-Aster	<i>Malcothrix saxatilis arachnoidea</i>	BLM sensitive
24. Slender Pentachaeta	<i>Pentachaeta exilis aeolica</i>	BLM sensitive
25. Mt. Diablo Phacelia	<i>Phacelia phacelioides</i>	BLM sensitive
26. Rock Sanicle	<i>Sanicula saxatilis</i>	State Rare
27. Cuesta Pass Checkerbloom	<i>Sidalcea hickmanii anomala</i>	State Rare
28. Mt. Hamilton Jewelflower	<i>Streptanthus callistus</i>	BLM sensitive

Special Status Animals

29. San Joaquin Antelope Squirrel	<i>Ammospermophilus nelsoni</i>	BLM sensitive
30. Ciervo Aegialian Beetle	<i>Aegialia concinna</i>	candidate
31. Southwestern Pond turtle	<i>Clemmys marmorata</i>	candidate
32. San Joaquin Dune Beetle	<i>Coelus gracilis</i>	candidate
33. Short-nosed Kangaroo Rat	<i>Dipodomys nitratoideus</i>	candidate
34. Red-legged Frog	<i>Rana aurora</i>	candidate
35. Giant garter snake	<i>Thamnophis couchii</i>	candidate
36. CA tiger salamander	<i>Ambystoma tigrinum</i>	candidate
37. Big-eared kangaroo Rat	<i>Dipodomys elephantinus</i>	candidate
38. Morrison's Meloid beetle	<i>Lytta morrisoni</i>	candidate
39. San Joaquin pocket mouse	<i>Perognathus inornatus</i>	candidate

40. Foothill yellow-legged frog	<i>Rana boylei</i>	candidate
41. Two-striped garter snake	<i>Thamnophis hammondi</i>	candidate

Special Status Birds

42. Mountain Plover	<i>Charadrius montanus</i>	candidate
43. Western yellow-billed cuckoo	<i>Coccyzus americanus occidentlis</i>	State endangered
44. Swainsons Hawk	<i>Buteo swainsoni</i>	State endangered
45. Tri-colored blackbird	<i>Agelaius tricolor</i>	candidate
46. White-faced ibis	<i>Plegadis chichi</i>	candidate

Stipulation No. 3 - Limited Surface Use - Raptors: This lease includes lands that have been identified as important raptor foraging, wintering or nesting areas. Notice is given that surface disturbing activities may be relocated beyond the standard 200 meters, but not more than 1/2 mile or that some activities may be prohibited during seasonal time periods to avoid unnecessary and undue disturbance to sensitive raptor foraging grounds, wintering areas or nest sites.

Stipulation No. 4 - No Surface Use: The surface estate of this parcel is owned and managed by the Yolo County Parks Department, and is used as a park for both recreation and conservation; therefore, No Surface Use is allowed on the lease.

Stipulation No. 5 - Stipulation Agreement: This parcel embraces lands in terminated lease CACA 12824A. There is an existing well (Waliszek #1) located in section 18, T. 26 S., R. 21 E., MDM, Kern County, California. There are also production facilities consisting of four 100 bbl oil tanks, one 100 bbl water tank, and one disposal pit. As agreed between the former lessee and BLM on October 12, 1999, the following Stipulation Agreement will be applied to any lease issued for this parcel:

The ownership of the existing well will transfer to the new operator at no cost if he so desires. If the new operator wants to attempt to bring the well back on production, he will be allowed a period of 90 days to do so. If the new operator is not successful, or if he does not want the well, the former lessee, Al Bresciani (address below), will be required to plug and abandon the well at his sole expense. If the new operator is successful, it will be his responsibility to eventually plug and abandon the well when it is no longer economic to produce.

The facilities belong to the former lessee. If the new operator wishes to retain the

facilities, he may negotiate lease or purchase terms with the former lessee. Until such time as an agreement is reached, the facilities and the responsibility to remove them and restore the lease surface belong to the former lessee. If the new operator does not wish to retain the facilities, the former lessee will be required to abandon them according to our standard specifications.

The former lessee is: Al Bresciani
3324 Golf Road
Turlock, CA 95380

Please note that it is the responsibility of the new and/or former operators/lessees to obtain the proper permits and bonds before beginning any surface disturbing activities.

Stipulation No. 6 - No Surface Use - U.S. Air Force: This parcel is under the jurisdiction of the United States Air Force and subject to the following:

1. There will be no ingress or egress onto Air Force property;
2. There will be no interference with the Air Force Environmental Protection Program, which investigates and monitors ground water and soil contamination;
 - a. The ground surface will not be disturbed.
 - b. Excavation or drilling, above or below the surface, will not cause disturbance to Air Force monitoring wells.
3. The Air Force reserves the right to review and approve the accepted proposal to ensure there will be no interference with the Environmental Program before any construction begins. If the proposal would adversely impact the Air Force Environmental Program, the lessee would have to revise plans so as not to cause an adverse effect. If during the operations, the lessee causes an adverse impact to the Air Force Environmental Program, the lessee must immediately notify the Air Force and suspend its operations and take all necessary steps to prevent and/or minimize further adverse impact.
4. The lessee shall agree to indemnify, defend, and hold harmless the Government from, any damages, costs, expenses, liabilities, fines, or penalties resulting from its activities including, without limitation, releases, discharges, emissions, spills, storage, treatment, disposal, or any other acts or omissions by the lessee, its officers, agents, employees, contractors, or sublessees, or licensees, or the invitees of any of them, giving rise to Government liability, civil, or criminal, or responsibility under Federal, State, or local laws. This Condition shall survive the expiration or termination of this

lease, and the lessee's obligations hereunder shall apply whenever the Government incurs costs or liabilities for the lessee's actions.

5. Condition Number 3, above, will be enforced by BLM, in consultation with the Air Force, during BLM's review of any drilling proposal submitted.

February 9, 2000

NOTICE

Notice of Competitive Lease Sale for Oil and Gas Dated January 26, 2000, AMENDED

On January 26, 2000, a Notice of Competitive Lease Sale for Oil and Gas (Notice) was posted announcing a competitive oil and gas lease sale to be held March 16, 2000. The Notice is amended as follows:

Parcel CA-3-00-10 is hereby amended to properly describe the legal description of section 5.

The acres of the parcel remains the same. The parcel description now reads as follows:

T. 17 S., R 10 E., MD Mer.,
sec. 4, lots 1 thru 4, 9 thru 15, SW, NESE;
sec. 5, lots 1 thru 4, 6, W2 lot 8, NWSW;
sec. 8, S2NE, W2NW, SENW, S2;
sec. 9, NW;
sec. 17, NENW, S2NW, W2SW.

San Benito County 1,636.20 acres
Subject to Information Notices 1 through 8
Subject to Stipulations 1 through 3

All other original and amended terms of the sale remain the same. If there are any questions regarding this amendment, please contact Brenda Kidder of the BLM California State Office at (916) 978-4374 or Nora Dedios of the Bakersfield Field Office at (661) 391-6129.

Leroy M. Mohorich
Chief, Branch of Energy, Mineral Science, and Adjudication